GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:31
ANSWERED ON:17.02.2006
NEW TEXTILE INDUSTRY IN A.P
Vallabbhaneni Shri Balashowry

Will the Minister of TEXTILES be pleased to state:

(a) The number of new Textile Units set up in Andhra Pradesh during the last three years in various sectors year-wise; and

(b) The efforts made by the Government to assist in setting up these textile units?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF TEXTILES (SHRI E.V.K.S. ELANGOVAN)

a)The number of cotton / man made fibre textile (Non SSI)mills& Powerloom units enlisted in the state of Andhra Pradesh during the last three years is as below:-

(in numbers)

Sector	Calendar- Year 2003	Calendar Year 2004	Calendar Year2005	Total during three years
(i) Cotton / man made fibre textile spinning mills (Non SSI)	2	4	1	7
(ii) Cotton / man made fibre textile spinning mills (SSI)	2	9	Nil	11
Powerloom units	17	54	60	131

b) Government creates conducive policy environment to encourage setting up of the textile units. The important measures taken by the Government from time to time to help the textile sector of the country including those in the State of Andhra Pradesh are as below:-

Technology Mission on Cotton (TMC) to improve productivity and quality of cotton for manufacture and export of competitive downstream textile products;

Technology Upgradation Fund Scheme (TUFS) to facilitate the modernisation and upgradation of the textile industry both in the organised and unorganized sector.

Credit linked capital subsidy @10% under TUFS, in addition to the existing 5% interest reimbursement for textile processing sector;

In order to facilitate modernisation of the Powerloom Sector, Schemes such as High-tech Weaving Parks, Modernisation and Strengthening of Powerloom Service Centers, Group Workshed Scheme and Credit Linked Capital Subsidy Scheme @ 20% have been introduced.

To provide the textile industry with world-class infrastructure facilities the "Scheme for Integrated Textile Park (SITP)" has been introduced in July 2005.

In 2004-05 Budget, the entire textile sector, except for man-made fibre and filament yarn was provided optional exemption from excise duty.

In 2005-06 Budget, Central Value-aided Tax (CENVAT) on Polyester Filament Yarn has been reduced from 24% to 16%.

Reduction in customs duty on import of textile machinery in 2005-06 Budget to facilitate import of state of the art machinery to make our products internationally competitive;

Launching of the Debt Restructuring Scheme w.e.f. Sept., 2003 with the principal objective to permit banks to lend to the textile sector at 8-9% rate of interest.

Government has allowed 100% Foreign Direct Investment in the textile sector under automatic route.

Government has de-reserved the readymade garments, hosiery and knitwear from SSI sector so that large scale investments may be encouraged in these sectors.

National Institute of Fashion Technology (NIFT) has been set up to provide the leadership role in sensitizing the Industry to the concept of value addition by in ducting trained professionals to manage the industry.